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Approved For Release 2003/05/05 : CIA-RDP80R01731R002600170001-9
OFFICE OF THE SPECIAL ASSISTANT, INTELLIGENCE
(R)

EXECUTIVE STAFF (R/ES)

Room 621, State Annex #1
Tel. Republic 5600 (Code 191)
Ext. 4221, 3304

*Wm 2
Rm 2*

TO: CIA/OIC - Mr. Reber

Jim:

This is the paper we discussed Friday,
November 20, 1953. It is a working paper
and is given to you on an informal basis
for your information.

I will call you as soon as there are
any developments on this problem.

State Dept. review completed. On file
OMB release instructions apply.

*File - Draft
IAC - 5
Foreign
Fun. Support*

Date: November 23, 1953

From: JOHN F. KILLEA

[Redacted]

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Recommended Plans for State and CIA Support of the Overseas Publications and Map Collection Programs

I. Background

The Department of State and the CIA now face the problem of how to finance adequately the overseas publication and map collection programs within present jurisdictional limitations. Since the end of World War II, the administration of both of these programs has been considered the responsibility of the Department of State. Both of them, though modest in scope and operation, have been successful in providing essential maps, newspapers, periodicals, books and other overt published materials to the Department, to the intelligence community, and to other government agencies.

The overseas publications procurement program as of January 1, 1953 consisted of 10 positions as listed in Tab A. Under the first reduction-in-force in June, 1953, the program was cut to 7 positions. In September, it was cut to 5 positions. In addition to full-time publications officers, a number of part-time officers have been designated by Chiefs of Mission at the request of the Department. This device has worked with varying degrees of success but in no case has it proved to be more than a partial answer to the need. An officer with regular diplomatic, reporting, or consular responsibilities can not devote more than a minimum portion of his time to the job. Further, few officers have received training in the bibliographic techniques essential for competent performance. However, the program of part-time PPCs will be continued, perhaps expanded, but it can not alone meet the intelligence collection requirements.

The overseas map procurement program has had a similar experience. Its regular allotment has been 6 positions. It was cut to 5 in the first RIF and to 3 under present allocations.

In August 1953, it became apparent that the Department of State was not going to be able to finance these programs even at the rate which had prevailed for several years. Accordingly, on August 26, 1953, (see Tab B) the Department notified CIA that Departmental budget cuts necessitated a reduction of both programs to a minimal level. It was proposed that CIA provide financial support beyond this minimum to the extent considered necessary to meet the needs

of the

of the intelligence community. However, the principle was maintained that the Department is primarily responsible for overt intelligence collection overseas.

CIA considered the problem and it was decided that it is essential for intelligence purposes that the program be maintained at a level higher than the Department was able to maintain alone. Not only that, but more positions are considered desirable than have ever been provided in order to allow for an increase in intelligence collection activities. The need for the added emphasis on intelligence collection in the foreign publications fields has been enunciated by the National Security Council in NSCID No. 16 dated March 7, 1953.

Further, under the responsibility placed on CIA by NSCID No. 16, it proposed to provide the supplemental funds necessary to finance the program at an appropriate level. Before doing this, however, it sought the authority of the Bureau of the Budget to transfer funds to the Department of State in the amount of \$60,000 to hold the program at its present level this year (see Tab C). After discussions and an exchange of correspondence, the Bureau advised CIA that it construed the financial arrangement proposed as a subversion of congressional intent with respect to Department of State activities. The Bureau stated (see Tab D) that until such time as it is recognized that the State Department no longer has this responsibility, it could not approve financing positions for the function by any other agency.

Thus, we are now confronted with a Bureau of the Budget injunction against any direct financing by CIA of the programs. We may feel that there is a joint State-CIA responsibility involved and that it is essential to maintain the programs on an adequate basis. A statement of the financial problems involved is included in Tab A.

II. Possible Courses of Action

In these circumstances, a number of possible courses of action may be considered. These are:

A. Taking no action. This would mean that present reductions will stand and that only 50% of former officer positions will remain. As a result, the Department will

be far

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be far from able to meet its responsibility for overseas collection and several specially trained and experienced personnel with contacts developed over the years will be lost to the program. It is generally recognized in the Department that this result should be avoided by some means.

B. Reallocating Departmental resources so as to provide the necessary positions. The Department on two occasions has re-examined this course of action and reported to the Bureau that it was not feasible for it to take this action. However, this decision was based only on funds available for salaries. It did not include the possibility of an adjustment from funds allocated to the other expense categories. In view of the emergency which the intelligence collection program now faces, it would appear to be desirable to shift 02-09 funds to the 01 category. These factors outweigh possible disadvantages of questioning from the Bureau in future years relative to this problem.

C. Joint Action with CIA.

1. Explore the possibility with CIA for an allotment of travel funds for the PPC/MPC programs to cover a portion of the expenses of the program. As many officers of the Department are charged with partial publication and map procurement responsibilities, this device would result in an easing of the financial strain faced by the Regional Bureaus. It would enable them to make adjustments as between funds and enable them to finance the additional map and publication positions under discussion.

2. Explore the CIA proposal that CIA pay the Department for all Map Procurement Officers thus releasing funds for payment of Publications Procurement Officers by the Department. CIA bases this proposal on the statement of the Bureau of the Budget that "until the State Department no longer has this responsibility, it could not approve financing positions for the function by any other agency." It is the CIA position that inasmuch as technical responsibility for the map function rests in that Agency by agreement, responsibility for the overseas collection of maps could be transferred to CIA by NSC action thus making

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their proposal legitimate in all aspects. The D.C.I., however, intends to inform the Director of the Bureau of the Budget of the action taken on this problem. There exists, therefore, the real possibility that the Bureau might construe such a step legalistically as no different than the original proposal submitted for its consideration.

The Department, itself, must be careful of the implications of this proposal. In essence, it would mean a vitiation of the Department's jurisdiction over overseas collection responsibilities. In any event, this device precludes any progress toward establishing the principle that other agencies should contribute toward the expense of services rendered them by State's overseas establishment. 25X1

it would mean a complete disruption of present map procurement activities because each officer involved would have to be recalled. Also travel and per diem costs would be more expensive, and operational difficulties increased to the detriment of the program.

Conclusions and Recommendations

An appraisal of the courses of action available leads to the following conclusions that:

1. The best course is explained in II C 1, which provides for augmentation of the Department travel funds by CIA.

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This method would help the Department financially with little possibility of legalistic questioning by the Bureau or Congress. The only disadvantage in this course would occur if it became necessary to rationalize the large additional sum devoted to travel.

2. Course II B as described above for the reallocation of Departmental funds, other than OI funds, provides the next most desirable course of action to be adopted. It involves no possibility of Congressional or Bureau of the Budget misinterpretation. It further enables the Department to render, within its limited resources, services to other agencies which have been deemed essential to the National Security.

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*Draft -
Working Paper*

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August 26, 1953

Dear General Cabell:

The 1954 budget of the Foreign Service has been substantially reduced. This reduction comes at a time when there are demands, requirements, many of particular concern to CIA, for an increase in intelligence collection activities. Moreover, this reduction will no doubt continue in effect in subsequent years, and will therefore have a long-term effect on the functions of the Foreign Service, including the collection of intelligence information from overt sources. Such collection has included: (a) collection of foreign publications; (b) collection of maps and cartographic data; (c) peripheral reporting; (d) collection of scientific information; (e) foreign press monitoring services.

The Department recognizes that these overt collection activities are responsibilities of the Foreign Service and are important to the national security. They are hence of concern to the Director of Central Intelligence in view of his duty to advise the National Security Council in such matters.

In an effort to satisfy these demands of intelligence and to continue to carry out the Department's responsibilities for the direction and management of the Foreign Service of the United States, the Department proposes in the attached document a framework within which, on the basis of national security needs, it would be possible for the Director to meet his responsibilities. Under this proposal, CIA could provide financial support for collection activities beyond a stated minimum which the Department can provide under its budget.

The Department believes that, if this framework is acceptable, it would probably be desirable to consult or at least inform IAC on this proposal and, if appropriate, advise the NSC. Furthermore, the Department believes that, when and as appropriate, there should be consultation with the Bureau of the Budget and with the proper committees of Congress.

Sincerely yours,

/s/ W. Park Armstrong, Jr.
W. Park Armstrong, Jr.

Lieutenant General Charles P. Cabell,
Acting Director of Central Intelligence,
Washington.

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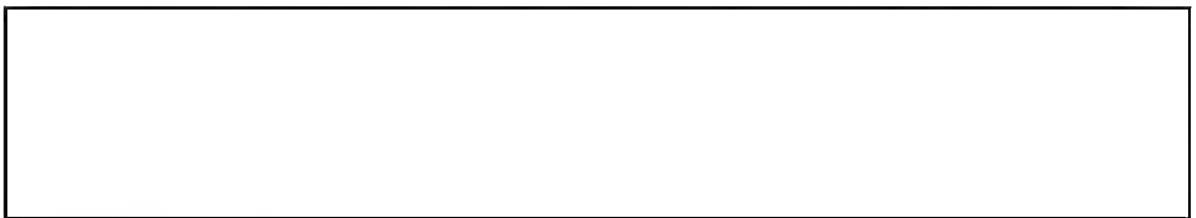
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A. General

1. Each supplementary position to be financed by CIA will be separately justified and negotiated through R with the appropriate geographic bureau.

2. The Department retains authority to select and appoint personnel to fill supplementary positions under normal procedures of the Foreign Service.

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B. Map Procurement

During FY1954, State will support one Map Procurement position each in EUR, NEA and GER.

Publications Procurement

During FY1954, State will support one Publications Procurement position each in FE, NEA, EUR, and GER.

Peripheral Reporting

State will support the senior officer at least in each peripheral reporting unit.

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CENTRAL INTELLIGENCE AGENCY
Washington 25, D. C.

Office of the Director

17 September 1953

The Honorable Joseph M. Dodge
The Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Dodge:

As a result of the severe curtailment in its resources, the Department of State has felt itself obliged to reorganize its Foreign Service Operations in such a way as to eliminate the following posts:

Publication Procurement Officer.....Rome
Publication Procurement Officer and
Geographic Attache (one individual)...London
Geographic Attache for Middle East and
South Asia.....New Delhi
Geographic Attache for Latin America....Caracas

The intelligence agencies are the primary customers of the service rendered by these officers who procure essential publications, documents, maps, and other geophysical data essential to our world-wide intelligence program. At the meeting this week of the IAC, representing all the intelligence agencies, concern was expressed at the damage that might be suffered if these activities were terminated, and the sense of the meeting was that I, as Director of Central Intelligence, should do what I could to support continuation of them.

This Agency has long supported intelligence activities of the Department of State such as producing National Intelligence Surveys or extra travel required by its collection offices. Though the Department of State should normally be expected to budget for overt collection posts, the circumstances this year present an unusual problem. I believe that the situation above outlined constitutes a special instance in which it is my responsibility as Director of Central Intelligence to take

remedial

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remedial action by supplying the necessary funds so that these essential collection activities may continue. The amount involved is approximately \$60,000 on an annual basis and this amount is covered by our congressional appropriation though it may well have to be taken from activities which we regard as important though not as important as this basic collection one.

I request your approval, in principle, of the above action. A detailed proposal will be submitted by administrative officers of this Agency and the Department of State as soon as they can be drafted.

Sincerely,

/s/ Allen W. Dulles

Allen W. Dulles
Director

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EXECUTIVE OFFICE OF THE PRESIDENT
Bureau of the Budget
Washington 25, D. C.

13 November 1953

My dear Mr. Dulles:

Following our discussion after the NSC meeting on November 5, 1953, I again have considered your request to finance certain Foreign Service positions which are being abolished.

We are well aware of the importance to the intelligence community of maps and books procured abroad. Certainly too little information is available overtly to neglect to collect and exploit that which we can obtain most easily. I often marvel at the amount of intelligence on this country that could be collected openly, particularly in contrast to the assignment which confronts you.

I recall two principal points that you made when we talked. First, you suggested that the continuing responsibility of all Foreign Service posts to collect published materials might be inadequate in those areas where full-time positions no longer will remain. It occurs to me that your concern might be alleviated by more vigorous joint action by CIA and the State Department. CIA, for example, might provide greater general impetus and leadership and might give increased guidance to State in the form of overt collection training or maintenance of specific requirements with priorities. State, for its part, might assign part-time collection duties to existing positions and provide for greater coordination by the regional book procurement officers and geographic attaches. Without being more concrete, it would seem that there would be a variety of improvisations to minimize any actual reduction in material received.

Second, you suggested that the arrangement you propose would be in effect only this year and that State would again finance the positions in 1955. A review of the State submission to the Bureau reveals that the positions in question have not been included in the request.

Since we

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Since we have every indication that Congressional committees may wish to look particularly at interagency reimbursements next spring, I still am concerned lest the arrangement you propose could be construed as a subversion of Congressional intent with respect to State Department activities. Until such time as it is recognized that the State Department no longer has this responsibility, I do not believe that I could approve financing positions for the function by any other agency. I would heartily endorse, however, any cooperation or assistance short of financing which CIA or other agencies could lend to State on this very vital program.

Sincerely yours,

/s/

Jos. W. Dodge

Director

Mr. Allen Dulles
Director, Central Intelligence
Agency,
Washington 25, D. C.

P.S. You shortly will receive a special bulletin, requested by the Senate Appropriations Committee, requiring agencies to disclose reimbursements and justify them in their appropriations requests--shows their interest in this matter.

/s/

D

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